

LAW OFFICES
JOHN D. HEFFNER, PLLC
1750 K STREET, N.W.
SUITE 200
WASHINGTON, D.C. 20006
PH: (202) 296-3333
FAX: (202) 296-3939

ORIGINAL

RECEIVED
APR 18 2011

FOR
PUBLIC RECORD

April 18, 2011

APR 18 2011
RECEIVED

229308

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
Washington, D.C. 20423-0001

FILED
APR 18 2011
SURFACE
TRANSPORTATION BOARD

FILED RECEIVED
APR 18 2011
SURFACE
TRANSPORTATION BOARD

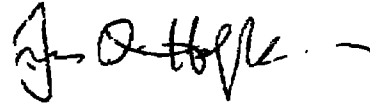
**RE: Finance Docket No. 35498, Adrian & Blissfield
Rail Road Company – Continuance- in-Control--Charlotte
Southern Railroad Company, Detroit Connecting Railroad
Company, and Lapeer Industrial Railroad Company**

Dear Ms. Brown:

I am filing on behalf of the Adrian & Blissfield Rail Road Company ("ADBF"), a class III short line rail carrier, its application under 49 U.S.C. 11323-4 for the continuance in control of three other class III short line rail carriers, Charlotte Southern Railroad Company, Detroit Connecting Railroad Company, and Lapeer Industrial Railroad Company. This application is submitted in accordance with the Board's ruling on March 4, 2011, in Arthur W. Single II, Dale R. Pape, Dawn W. Osment, L. Howard Smith, Ferrovia-LLC, and Adrian & Blissfield Rail Road Company -- Continuance in Control Exemption -- Charlotte Southern Railroad Company, Detroit Connecting Railroad Company, Lapeer Industrial Railroad Company, and Jackson & Lansing Railroad Company, FD 35253, that this continuance in control request be resubmitted as either a formal application or an individual petition for exemption.

I am also submitting a Word copy of the application on a diskette as well as a check for \$7500 to cover the filing fee. Please date stamp and return one copy of the application.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John D. Heffner", followed by a horizontal line.

John D. Heffner

Enclosure

ADBF-1

229308

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET FD 35498

ADRIAN & BLISSFIELD RAIL ROAD COMPANY,
-- CONTINUANCE-IN-CONTROL--
CHARLOTTE SOUTHERN RAILROAD COMPANY,
DETROIT CONNECTING RAILROAD COMPANY, AND
LAPEER INDUSTRIAL RAILROAD COMPANY

APPLICATION FOR AUTHORITY
UNDER 49 U.S.C. 11323 *Et Al*

Submitted By:

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 200
Washington, D.C. 20006
(202) 296-3333

Counsel for Petitioner

FEE RECEIVED
APR 18 2011
SURFACE
TRANSPORTATION BOARD

APR 18 2011
Public Board

Dated: April 18, 2011

FILED
APR 18 2011
SURFACE
TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET FD 35498



**ADRIAN & BLISSFIELD RAIL ROAD COMPANY,
-- CONTINUANCE-IN-CONTROL--
CHARLOTTE SOUTHERN RAILROAD COMPANY,
DETROIT CONNECTING RAILROAD COMPANY, AND
LAPEER INDUSTRIAL RAILROAD COMPANY**

**APPLICATION FOR AUTHORITY
UNDER 49 U.S.C. 11323 *Et Al***

**I.
INTRODUCTION**

Pursuant to 49 U.S.C. 11323(a) (3) and 49 CFR 1180.4(c), Adrian & Blissfield Rail Road Company ("ADBF") seeks Board authority to continue in control of Charlotte Southern Railroad Company ("CHS"), Detroit Connecting Railroad Company ("DCON"), and Lapeer Industrial Railroad Company ("LIRR").¹ Applicant seeks this authority pursuant to an order issued by the Surface Transportation Board ("the Board") on March 4, 2011, in FD 35253, rejecting its Verified Notice of Exemption ("the NOE") filed on February 15, 2011, on the grounds that the request was not appropriate for consideration under

¹ Applicant does not seek authority to continue in control of Jackson & Lansing Railroad Company ("JAIL") here as the matter is pending in Adrian & Blissfield Rail Road—Continuance in Control Exemption—Jackson & Lansing Railroad, FD 35410 (hereafter "The Jackson & Lansing Control proceeding").

the abbreviated class exemption procedures of 49 CFR 1180.4(g).² The Board had directed the Applicant to resubmit its proposal as either an application or an individual petition for exemption. This application involves a “minor transaction” under the Board’s Railroad Consolidation Rules at 49 CFR 1180.2(c).

Applicant submits with this Application as Exhibit A the verified statement of its president Mark Dobronski addressing the issues identified by the Board as the basis for its rejection of the NOE. Applicant also submits a proposed schedule for processing its application with a decision to be issued no later than August 1, 2011, effective 30 days after service.

II.

BACKGROUND AND STATEMENT OF FACTS

A short history of the ADBF is fundamental to the Board’s understanding and consideration of this application.

ADBF is an existing class III short line railroad principally operating between Adrian and Blissfield, MI, as well as several short branches connecting with its mainline. Currently, ADBF has five shareholders: 1) Arthur W. Single who owns approximately 14.3% and was one of its founders; 2) Dale R. Pape who currently owns about 7.1% and was also one of its founders; 3) Dawn M. Osment

² Applicant had included as parties to the NOE filing each of its existing shareholders. Applicant deletes those names here insofar as none of the parties is believed to own a controlling interest in any other rail carrier subject to the Board’s jurisdiction. Dobronski V.S. at 2.

who also owns 7.1% %: 4) I. Howard Smith, who owns approximately 21.4% and was one of the original shareholders; and 5) Ferrovia-LLC, a recent (2008) shareholder that now owns 50% of ADBF's stock.³ Dobronski V.S. at 1-2.

Established in 1991 under different management, ADBF began operations leasing all trackage formerly served by Lenawee County Railway Company ("LCRC")⁴ and owned by the Michigan Department of Transportation. Between 1996 and 1999, ADBF purchased or leased four short segments of additional track. In late 1996, ADBF leased a short 2.1 mile stretch of track connecting with its mainline and known as the Tecumseh Branch. Then again, in late 1998 it purchased a 2.27 mile segment of track from the Grand Trunk Western Railroad, Inc. (now the Canadian National Railroad) known as the Dequindre Line. In the Winter of 1999, it purchased another Grand Trunk Western Railroad segment of track, the 3.22 mile-long Charlotte Spur. Finally, in the Spring of 1999, it purchased one more short segment of track (1.38 miles long) from the Grand Trunk Western Railroad known as the Lapeer Spur.⁵ Dobronski V.S. at 1-2.

In the Fall of 2000 and under prior management, ADBF undertook five more transactions resulting in the rail system that existed as of the early Fall of 2009.

ADBF spun off to new subsidiaries [successively, the Tecumseh Branch

³ ADBF President Mark Dobronski and his family own Ferrovia-LLC.

⁴ The Lenawee County Railroad Company terminated operations in 1990.

⁵ ADBF also leased a very short (.88 mile-long segment) from the Grand Trunk Western Railroad.

Connecting Railroad (“TBCR”),⁶ DCON, CHS, and LIRR] each of the four short segments of railroad acquired between 1996 and 1999. To undertake each of these acquisitions, ADBF’s then attorney and General Counsel⁷ filed four class exemption notices under the provisions of 49 CFR 1150.31 in October 2000. Although the various acquisition filings did not identify ADBF’s reason for spinning off these lines, these transactions were undertaken in order to insulate ADBF from any liabilities created by its subsidiaries. Dobronski VS at 2, 5. Presumably, ADBF’s former counsel was not sufficiently conversant with the regulatory requirements of the I.C.C. Termination Act and the Board’s regulations thereunder to realize that these transactions also required ADBF to have authority (or an exemption) to continue in control of these newly formed entities. Dobronski V.S. at 2. Finally and completing this picture, ADBF in the Fall of 2000 purchased the state-owned trackage between Adrian, Blissfield, and Riga, as the State desired to dispose of its publicly-owned rail lines. Dobronski V.S. at 2.

Between 2008 and 2010 Ferrovial became a 50% shareholder of ADBF with other current management members Arthur Single and I. Howard Smith controlling another 35.7% of ADBF’s stock or 85.7% of the outstanding stock. Mr. Dobronski assumed his role as ADBF’s president in 2003. Dobronski V.S. at 1-2.

⁶ In the Fall of 2003, TBCR obtained authority to abandon a short portion of its line.
⁷ Now deceased

In more recent events leading up to the current filing, ADBF filed a verified notice of exemption with the Board in October, 2009, for the “belated” approval of the purchase of the nonabandoned segment of the TBCR, a purchase that it had consummated some nine years before, preceding ADBF’s current management team. At that time ADBF noted that it had previously neglected to seek continuance in control authority for any of its subsidiaries and would do so as soon as certain corporate matters were resolved. Dobronski V.S. at 2-4. The Board issued an exemption notice on October 23, 2009, for that acquisition also noting it expected ADBF’s owners to promptly submit an appropriate filing for authorization for that common control. Adrian & Blissfield Rail Rd.—Acquis. & Operation Exemption—Tecumseh Branch Connecting R.R., FD 35035, STB served Oct. 23, 2009.

In 2010 Norfolk Southern Railroad (“NS”) selected ADBF to lease and operate NS’ line between Jackson and Lansing, MI. ADBF then established JAIL as a new corporate subsidiary for that transaction and sought Board authority by exemption for both the lease and continuance in control aspects of the transaction. That matter is presently pending before the Board as a result of a proceeding prompted by the filing of a joint Petition to Revoke by the Brotherhood of Locomotive Engineers and Trainmen and United Transportation Union.

On February 15, 2011, ADBF and its shareholders filed an NOE with the Board to rectify their failure to seek a continuance in control exemption back in 2009. By decision in Arthur W. Single II, Dale R. Pape, Dawn W. Osment, I. Howard Smith, Ferrovia-LLC, and Adrian & Blissfield Rail Road Company – Continuance in Control Exemption – Charlotte Southern Railroad Company, Detroit Connecting Railroad Company, Lapeer Industrial Railroad Company, and Jackson & Lansing Railroad Company, FD 35253 (STB served March 4, 2011), the Board rejected the NOE filed by ADBF and its shareholders, apparently based on: (1) the allegation in an unverified comment submitted by one of ADBF's shareholders, Mr. Pape, that he and Ms. Osment, did not consent to the NOE; (2) ADBF's failure to promptly seek authorization for common control; and (3) the reason why "parties other than ADBF" (apparently its shareholders) were noticed for common control in FD 35253 but not in the notice filed by ADBF in the Jackson & Lansing Control proceeding.

In this application, ABDF addresses the three concerns the Board identified in its decision rejecting the NOE. The circumstances leading to ABDF's past failures to promptly seek authorization for common control are explained in greater detail below in the statement of Mr. Dobronski. However, ADBF does not seek to turn these circumstances into excuses, and it remains embarrassed by its failure to promptly seek authorization. Dobronski V.S. at 1,4, and 7. The non-participation

of Mr. Pape and Ms. Osment are addressed by the exclusion of these non-controlling shareholders from this application. ADBF has deleted the other individual shareholders as parties insofar as none is believed to own a controlling interest in any other railroads subject to the Board's jurisdiction. Dobronski V.S. at 2. If the Board believes that all of ABDF's shareholders should be added as parties to this application, ABDF is willing to amend it accordingly.

THE APPLICATION

As noted in the introduction, this application entails a request by ADBF, a class III short line rail carrier for authority to control three other class III short line rail carriers that it has in fact controlled since 2000. Because all carriers involved here are class III carriers, this transaction is a "minor" transaction as that term is defined in the Board's regulations at 49 CFR 1180.2(c).

Pursuant to the Board's regulations at 49 CFR 1180.4, Applicant submits the following information.

Section 1180.6 Supporting information

(a) All applications filed under 49 U.S.C. 11323 shall show in the title the names of the applicants and the nature of the proposed transaction. Beneath the title indicate the name, title, business address, and telephone number of the person(s) to whom correspondence with respect to the application should be addressed. The following information shall be included in all applications:

(1) A description of the proposed transaction, including appropriate references to any supporting exhibits and statements contained in the application and discussing the following:

(i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

Response:

The sole applicant is the Adrian & Blissfield Rail Road Company.

The transaction involves a request for belated approval by the Board of the continuance in control by Applicant of CHS. DCON. and LIRR undertaken in 2000 without seeking authority at that time or subsequently until now.

The name of applicant, its business address, and telephone number are as follows:

Adrian & Blissfield Rail Road Company

38235 N. Executive Drive
Westland, MI 48185-1971

Tel: 734-641-2300

The contact information for the person to whom all correspondence or other inquiries in connection with this application should be addressed is:

John D. Heffner
John D. Heffner, PLLC
1750 K Street, N.W.
Suite 200
Washington, D.C. 20006
202-296-3334
Counsel for Applicant

(ii) The proposed time schedule for consummation of the proposed transaction.

Response:

Applicant seeks belated approval for a continuance in control transaction undertaken in 2000 without realizing that Board approval was required for such control. Applicant files this application in response to the Board's March 4 decision rejecting its NOE. Inasmuch as this transaction is "minor" under the Board's Railroad Consolidation Rules,⁸ Applicant requests that the Board consider and approve the transaction in accordance with the following proposed schedule.

Day One: Application filed

Day 30: Board serves notice acknowledging receipt of application and approving application as to form and content

Day: 45: Notices of intent by parties wishing to participate in this proceeding due

Day 75: All comments, protests, requests for conditions, and any other evidence or argument in opposition including any filings by the U. S. Department of Justice and the U.S. Department of Transportation due

Day 90: Responses to comments, protests, requests for conditions, and any other evidence or argument in opposition due

Day 105: Decision issued

⁸ Those rules define a "minor transaction" as "one which involves more than one railroad and which is not a *major, significant, or exempt* transaction." All carriers controlled by ADBF are class III carriers as is ADBF itself. 49 CFR 1180.2(c).

This schedule is consistent with ones adopted by the Board in recent application cases filed by other short line and regional railroads in proceedings involving more controversial issues. *See, e.g., Indiana Railroad Company-Acquisition-Soo Line Railroad Company*, FD 34783, STB served January 13, 2006 and *Massachusetts Coastal Railroad, LLC-Acquisition-CSX Transportation, Inc.*, FD 35314. STB served December 21, 2009.

(iii) The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

Response:

Applicant had previously represented in the NOE that the purposes of this transaction was to facilitate efficient and economical operation of its short line railroad subsidiaries through centralized management, purchasing, operations, marketing, accounting, and similar functions. Applicant still seeks to accomplish those purposes through this filing.

(iv) The nature and amount of any new securities or other financial arrangements.

Response: N.A. No new securities were originally issued or need be issued now and no other financing was or will be required now.

(2) A detailed discussion of the public interest justifications in support of the application, indicating how the proposed transaction is consistent with the

public interest, with particular regard to the relevant statutory criteria, including

(i) The effect of the transaction on inter- and intramodal competition, including a description of the relevant markets (see §1180.7). Include a discussion of whether, as a result of the transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.

Response:

As Applicant explains in its Argument below and in the statement of its president Mark Dobronski attached as Exhibit A, Applicant regrets its failure to seek prompt continuance in control approval both in 2000 and later in 2009-2011. Applicant did not mean to flout or ignore the Board or its statutory or regulatory provisions. Applicant's original failure to seek a continuance in control exemption was due to the lack of counsel familiar with Surface Transportation Board law and procedures. Dobronski at 2. Its more recent (2009 through 2011) failure to seek approval promptly was due to its incorrect perception that resolving various shareholder disputes and complying with Michigan state laws in connection with its liquor application took precedence. Dobronski V.S. at 3-4. Mr. Dobronski also devotes a portion of his statement to telling the Board how his management team has taken steps to improve ADBF's service and physical plant, increase ADBF's car loadings and revenues, and to operate his railroad in a way that promotes the public interest. Dobronski VS at 7-8.

The prior but unauthorized consummation of this control transaction did not result in any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. If authorized, Applicant does not expect that as a result of this transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. The railroads involved in this application are small carriers that do not compete with each other. The entire ADBF "rail system" (including JAIL) operates a total of only 76 miles of railroad in southern Michigan. None of the individual railroads involved here has anything close to \$5 million in annual railroad operating revenues, the Board's threshold for requiring notification to prospective employees for job openings related to the acquisition of a rail line. Dobronski V.S. at 5. Moreover, ADBF does not anticipate any shipper opposition.

Regarding intra-modal and intermodal competition, past consummation of this transaction has not resulted in any adverse competitive effects as there were no changes in railroad operations or reduction in service or rail competitive options.

If authorized, Applicant expects the impacts of this transaction to be neutral as there will be no changes in railroad operations. There will be no reduction in service or rail competitive options. As a result there will be no lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. The *only* difference as a result of this filing, if approved, will be that Applicant obtains authority to control three very small short line railroads.

(ii) The financial consideration involved in the proposed transaction, and any economies, to be effected in operations, and any increase in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.

Response.

The prior consummation of the control transaction allowed Applicant to take advantage of economies of scale through reduced overhead and administrative expenses. If approved, Applicant does not expect this transaction to entail any additional financial considerations or economies, or any impact on traffic, revenues, or earnings.

(iii) The effect of the increase, if any, of total fixed charges resulting from the proposed transaction.

Response:

The prior consummation of the control transaction did not have any impact of fixed charges and Applicant does not expect any impact on fixed charges as a result of the approval of this transaction.

(iv) The effect of the proposed transaction upon the adequacy of transportation service to the public, as measured by the continuation of essential transportation services by applicants and other carriers.

Response:

The prior consummation of the control transaction did not have any impact upon the adequacy of transportation to the public as there was no change in operations. Similarly, approval of this transaction now shall have no impact upon the adequacy of transportation service to the public as there will be no change in operations.

(v) The effect of the proposed transaction upon applicant carriers' employees (by class or craft), the geographic points where the impact will occur, the time frame of the impact (for at least 3 years after consolidation), and whether any employee protection agreements have been reached.

Response:

The prior consummation of the control transaction did not have any impact upon Applicant carrier's employees (including those of CHS, DCON, and LIRR) as there were no changes in operations. Similarly, approval of this transaction shall have no impact upon Applicant carrier's employees as there will be no change in operations. Moreover, no labor protective conditions

apply to this transaction inasmuch as 49 U.S.C. 11326(c) states that labor protection shall not apply to any transaction involving only class III carriers.

(vi) The effect of inclusion (or lack of inclusion) in the proposed transaction of other railroads in the territory, under 49 U.S.C. 11324.

Response:

Not applicable.

(3) Any other supporting or descriptive statements applicants deem material.

Response:

Applicant submits as Exhibit A the Verified Statement of its President Mark Dobronski explaining this transaction, the reasons why it deferred until February 15, 2011, to seek Board approval for common control, and rebutting the allegations contained in the unverified comments of Mr. Pape.

(4) An opinion of applicants' counsel that the transaction meets the requirements of the law and will be legally authorized and valid, if approved by the Board. This should include specific references to any pertinent provisions of applicants' bylaws or charter or articles of incorporation.

Response:

Applicant submits as Exhibit B an opinion of counsel

(5) A list of the State(s) in which any part of the property of each applicant carrier is situated.

Response:

Michigan

(6) Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true

relation to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

Response:

A copy of a map of the Applicant carriers is submitted as Exhibit 1. In addition 20 unbound copies are also furnished.

(7) Explanation of the transaction.

(i) Describe the nature of the transaction (e.g., merger, control, purchase, trackage rights), the significant terms and conditions, and the consideration to be paid (monetary or otherwise).

Response:

ADBF seeks Board authorization for a control transaction that it undertook more than ten years ago without realizing the need to obtain Board authorization for that continuance in control at that time and for again postponing until very recently the need to obtain that approval.

Neither Applicant's prior unauthorized consummation of the control transaction nor the Board's approval at this time entail any significant terms and conditions or consideration to be paid.

(ii) Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at §1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the

notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.

Response:

Not applicable as there is no agreement covering the common control.

(iii) If a consolidation or merger is proposed, indicate: (A) The name of the company resulting from the consolidation or merger; (B) the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment; (C) the capitalization proposed for the resulting company; and (D) the amount and character of capital stock and other securities to be issued.

Response:

Not applicable as no consolidation or merger is proposed.

(iv) Court order (exhibit 3). If a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, submit a certified copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.

Response:

Not applicable

(v) State whether the property involved in the proposed transaction includes all the property of the applicant carriers and, if not, describe what property is included in the proposed transaction.

Response:

Yes. The proposed application includes all rail lines operated by ADBF and its subsidiaries.

(vi) Briefly describe the principal routes and termini of the lines involved, the principal points of interchange on the routes, and the amount of main-line mileage and branch line mileage involved.

Response:

ADBF:

Main Track: Adrian, MI to Riga, MI - 17.6 miles
Interchange with NS at Adrian. Indiana & Ohio Railroad at Riga.

Grosvenor Branch: Grosvenor Junction, MI to End of Track - 1.7 miles

Tecumseh Branch: Adrian, MI to South Adrian, MI (Page) - 1.3 miles
Interchange with NS at Page.

CHS:

Main Track: Charlotte, MI to End of Track - 3.22 miles
Interchange with Canadian National Railway at Charlotte.

DCON:

Main Track: Detroit (Milwaukee Junction), MI to End of Track - 2.27 miles
Interchange with Canadian National Railway at Milwaukee Junction.

LIRR:

Main Track: Lapeer, MI to End of Track - 1.34 miles
Interchange with Canadian National Railway at Lapeer

(vii) State whether any governmental financial assistance is involved in the proposed transaction and, if so, the form, amount, source, and application of such financial assistance.

Response:

None is involved.

(8) Environmental data (exhibit 4). Submit information and data with respect to environmental matters prepared in accordance with 49 CFR part 1105. In major and significant transactions, applicants shall, as soon as possible, and no later than the filing of a notice of intent, consult with the Board's Section of Environmental Analysis for the proper format of the environmental report.

Response:

No environmental or historic documentation would have been required had authority originally been sought in 2000 as there were no operational changes that would have exceeded the thresholds established in 49 CFR 1105.7(e) (4) or (5) or any changes in operations, plans to discontinue or abandon any service, or plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Likewise, no environmental documentation is required now because there will no operational changes that would exceed the thresholds established in 49 CFR 1105.7(e) (4) or (5) and there will be no action that would normally require environmental documentation. Hence, this Application does not require environmental documentation under 49 CFR 1105.6(b) (4) and (c) (2) (i). Similarly, no historic report is required because approval at this time does not involve any changes in operations or plans to discontinue or abandon any service. There are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older.

§ 1180.8 Operational data.

For *minor* transactions: Operating plan-minor (exhibit 15). Discuss any significant changes in patterns or types of service as reflected by the operating plan expected to be used after consummation of the transaction. Where relevant, submit information related to the following:

Response: Not applicable as there have been no changes in operations in the past, nor does Applicant anticipate any changes in operations in the future.

(1) Traffic level density on lines proposed for joint operations.

Response:

Not applicable as there have been no changes in operations in the past, nor does Applicant anticipate any changes in operations in the future.

(2) Impacts on commuter or other passenger service operated over a line which is to be downgraded, eliminated, or operated on a consolidated basis.

Response:

Not applicable as no lines have been or will be downgraded, eliminated, or operated on a consolidated basis. Although the Applicant railroads provide noncommon carrier excursion passenger service on certain lines, no common carrier, Amtrak, or commuter passenger service is provided.

(3) Operating economies, which include, but are not limited to, estimated savings.

Response:

Not applicable as there have been no changes in operations in the past, nor does Applicant anticipate any changes in operations in the future.

(4) Any anticipated discontinuances or abandonments.

Response:

Not applicable as there have been no changes in operations, discontinuances of service, or abandonments of rail lines in the past, nor does Applicant anticipate any changes in operations, discontinuances of service, or abandonments of rail lines in the future.

ARGUMENT IN SUPPORT
OF PUBLIC INTEREST JUSTIFICATION

This Application presents the questions of whether the Board should approve Applicant's belated request to continue in control of its short line railroad subsidiaries, CHS, DCON, and LIRR and why it waited until this late date to seek that approval. In rejecting the NOE, the Board premised its decision in part because of its 16 months delay in seeking common control authority and in part because issues raised in the pleadings demonstrate that ADBF's continuance in control is controversial. Additionally, the Board found false and misleading the fact that it was filed on behalf of a party who did not authorize it and was not aware of it.

In general, all control transactions including that proposed here are subject to approval under 49 U.S.C. 11323 *et seq.* Section 11323(a) states as relevant that the following transactions involving rail carriers providing transportation subject to

the jurisdiction of the Board under this part may be carried out only with the approval and authorization of the Board:

- (1)...
- (2)...
- (3) Acquisition of control of a rail carrier by any number of rail carriers.

Inasmuch as this application involves a request by ADBF to control three additional carriers, sec. 11323(a) (3) is implicated here.

Moreover, because this transaction does not involve any class I carriers, the approval standard contained in 49 U.S.C. 11324(d) applies. As the Board has observed in a consistent and long line of cases, it *must* approve the application unless it finds that: (1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States; and (2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs. In assessing transactions subject to § 11324(d), the Board's primary focus is on whether there would be adverse competitive impacts that are both likely and substantial. If so, it also considers whether the anticompetitive impacts would outweigh the transportation benefits or could be mitigated through conditions. The Board also has the authority to consider the potential environmental effects of the transaction and to impose appropriate conditions to mitigate adverse environmental effects. *See. e.g., CSX*

Transportation, Inc., And Delaware And Hudson Railway Company, Inc.—Joint Use Agreement, FD 35348, STB served October 22, 2010 and Massachusetts Coastal Railroad, LLC-Acquisition-CSX Transportation, Inc., FD 35314, STB served March 29, 2010. And even if there were to be likely and substantial anticompetitive impacts, the Board has said that it may not disapprove the transaction unless the anticompetitive impacts outweigh the benefits and cannot be mitigated through conditions. *See*. Fortress Investment Group, LLC, et al.—Control—Florida East Coast Railway, LLC, FD 35031, slip op. at 4 (STB slip op. served Sept. 28, 2007) and cases cited therein at 4.

In view of the very modest size of the ADBF railroad “system” as well as the limited number of shippers, carloads, and revenues involved, there is no way that this transaction could result in a substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. Similarly, there is no way that the anticompetitive effects of the transaction could outweigh the public interest in meeting significant transportation needs. Accordingly, ADBF submits that it has met the statutory approval standard.

ADBF recognizes that the Board was clearly and understandably troubled by Applicant’s failure to seek approval (or exemption) for continuance in control at an earlier date. In that connection, Applicant has reviewed the handful of pertinent

cases involving a party's failure to seek prompt approval for any sort of common control. *See, Green Bay Packaging Inc.—Control—KWT Railway, Inc. And Atlantic & Western Railway*, FD 31734, 1990 ICC Lexis 356, ICC served November 6, 1990 and *David W. Wulfson, Et Al—Control Exemption—Clarendon & Pittsford Railroad Company, Et Al*, FD 33607, STB served August 20, 1998 (*Wulfson*). The standard announced in those cases is that a prior and unauthorized consummation of a control transaction does not bar the granting of an exemption or approval where the evidence demonstrates that the noncompliance was inadvertent and the record shows no intent to flout the law or a deliberate or planned violation. *Kenosha Auto Transport Corp—Control*, 85 M.C.C. 731, 736 (1960) cited in *Wulfson, supra*.

As Mr. Dobronski states in his affidavit, Applicant regrets this oversight on its part. Applicant did not mean to flout or ignore the Board or its statutory or regulatory provisions. Applicant's original failure to seek a continuance in control exemption was due to the lack of counsel familiar with Surface Transportation Board law and procedures. Dobronski at V.S. at 2. Its more recent (2009 through 2011) failure to seek approval was due in part to its perceived need for compliance with the Michigan Liquor Control Commission license requirements that apply because ADBF operates a dinner train on which alcoholic beverages are served. Since ADBF holds a liquor license, approval of any change in shareholders is

required by the Michigan Liquor Control Commission (“MLCC”). The approval process at the MLCC is slow and cumbersome and can take well more than a year. Perhaps wrongly, ADBF proceeded very cautiously in connection with STB common control approval during the pendency of both liquor control proceedings and threats of litigation by Mr. Pape for fear of taking improper action. *Dobronski V.S.* at 3-4.

The Board cites the unsworn allegations of Dale Pape as a basis for finding sufficient controversy to reject the NOE. But the substance of his comments are irrelevant on the issue of common control approval for non class I railroad applicants under 49 U.S.C. 11323-4. ADBF responds to Mr. Pape’s assertion that neither he nor Ms. Osment either consented to or knew of the NOE by noting that neither of these parties exercise any control over ADBF or its subsidiaries. *Dobronski V.S.* at 1, 2. and 6. As a general matter, the Board lacks the jurisdiction to hear or resolve contractual or commercial disputes. Canadian Pacific Limited, Et Al-Purchase And Trackage Rights-Delaware & Hudson Railway Company, 7 I.C.C.2d 95, 1990 ICC Lexis 321 at 48, note 25 (ICC 1990)(“It would be inappropriate for this agency to interpose itself among the parties in what is essentially a private contractual dispute.”). The Board’s March 4 decision rejecting the NOE as false and misleading gives as a basis for its action the assertion that one petitioner did not support the filing and was not even aware of it.

But those are the sort of intracorporate squabbles that are outside the Board's regulatory jurisdiction. New York New Jersey Rail LLC and New York Cross Harbor Railroad Terminal Corp. Corporate Family Transaction Exemption, FD 34813, STB served December 8, 2006 (rejected protestants' assertion that transaction filing contained false and misleading information because of applicants' failure to disclose in an exemption filing stock ownership disputes between shareholders) and Trimax Holdings, Inc.—Corporate Family Transaction Exemption—Allegheny Valley Railroad Company and Southwest Pennsylvania Railroad Company, FD 33413 (STB served Sept. 15, 2000)(STB rejected claims that the exemption filing was false and misleading because it failed to disclose conflicting ownership claims and related litigation or certain matters involving corporate control).

In any event neither Mr. Pape nor Ms. Osment are in any position to exercise control over ADBF or its subsidiaries. *Dobronski V.S.* at 1, 2 and 6. Therefore Applicant did not require their consent to file the NOE and does not require their consent to file this Application. The legal standard for determining whether or not a party subject to the Board's jurisdiction can exercise control over another is a flexible one based upon the facts of each case. Rochester Telephone v. United States, 307 U.S. 125 (1939). As the former Interstate Commerce Commission has held, control is the power or authority to manage, direct, superintend, restrict,

regulate, govern, administer, or oversee. In short, it is the power to manage the day to day affairs of the entity assertedly controlled. Declaratory Order—Control—Rio Grande Industries, Inc., FD 31243, ICC slip op. served Aug. 25, 1988 at 3-5 (a 20% shareholder with a veto power over certain major decisions held not to control carrier). Accordingly, the fact that Mr. Pape owns only 7.1% of ADBF's stock and is no longer a company employee clearly indicates that he does not exercise any control. Dobronski V.S. at 1, 2, and 6. Applicant was and is free to seek authorization for continuance in control regardless of their consent or lack thereof. And to the extent that his unverified comments raise issues such as safety and preemption of local laws, these matters are irrelevant to the issue of approval of common control of several class III short line railroads under 49 U.S.C. 11323-24.

Although ADBF believes the Board's role here is strictly limited by statute to the anticompetitive impacts of this transaction,⁹ ADBF wants the Board to find that there is a substantial public interest justification for approval of this application. In that regard, Mr. Dobronski's statement identifies the steps that his management has undertaken to make ADBF a safe and productive member of the short line railroad community. He notes that during his management of the railroad, ADBF has substantially increased the number of shippers, carloadings,

⁹ Railroad safety is regulated by the Federal Railroad Administration.

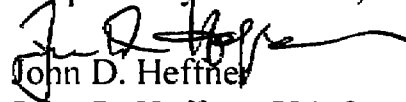
and revenues on ADBF itself (as opposed to JAIL). It has invested substantial sums (approximately \$2.5 million in track and signal upgrades) and raised the track condition and track speeds and has additional work planned for the future. Finally, ADBF has received numerous awards for track safety and marketing achievements. Dobronski 7-8.

Lastly the Board in a footnote in the March 4 decision questions the identity of the applicant parties in that proceeding and the Jackson & Lansing Control proceeding. As discussed earlier, ADBF has deleted its individual shareholders as parties to this application insofar as they do not, to the best of Applicant's knowledge and belief, own or control any other railroads subject to the Board's jurisdiction. Dobronski V.S. at 2. ADBF is agreeable to amending this application to add them as parties should the Board so instruct.

CONCLUSION

Applicant ADBF prays that the Board grant this application for ADBF to continue in control of CHS, DCON, and LIRR and enter an order approving the transaction proposed as required by 49 U.S.C. 11323-4.

Respectfully submitted,



John D. Heffner, PLLC

1750 K Street, N.W.

Suite 200

Washington, D.C. 20006

(202) 296-3333

Counsel for Petitioner

Dated: April 18, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing document to be served pursuant to the requirements of 49 C.F.R. § 1180.4(c)(5) and on the following parties by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission, the Governor, Public Service Commission, and the Department of Transportation of the State of Michigan.



John D. Heffner

Dated: March 18, 2011

EXHIBIT A

VERIFIED STATEMENT OF MARK W. DOBRONSKI

State of Michigan)

1 ss:

County of Wayne)

My name is Mark Dobronski, and I am the President of the Adrian & Blissfield Rail Road Company (ADBF) and its several subsidiaries, which include Charlotte Southern Railroad Company (CHS), Detroit Connecting Railroad Company (DCON), Lapeer Industrial Railroad Company (LIRR), and Jackson & Lansing Railroad Company (JAIL).¹ My business address is 38235 N. Executive Drive, Westland, MI 48185-1971. I am submitting this verified statement in support of and as an explanation of matters addressed in the attached application for common control approval by ADBF or each of its short line railroad subsidiaries.

I want to begin my statement by telling the Board a little about the history and business of the ADBF, then how I came to be involved with the company, followed by an explanation (but not an excuse) for ADBF's tardiness in seeking common control approval, and finally a little about the difficulties in dealing with a dissident shareholder, Dale R. Pape.

ADBF was founded in February 1991 as a class III short line railroad to lease and operate an approximately 20 miles of railroad line owned by the State of Michigan in Lenawee County, Michigan. Operating primarily between the namesake cities of Adrian and Blissfield, ADBF assumed operations formerly served by the Lenawee County Railway. Three of its original shareholders were Dale R. Pape,² Arthur W. Single, and Irwin Howard Smith, each holding a 25 percent equity position in the company. The fourth (25%) shareholder would periodically change over time. Neither Ferrovial LLC, the company that my family controls, nor I were involved in

¹ ADBF is also the parent company of Tecumseh Branch Connecting Railroad Company (TCBY), which is no longer an operating railroad company.

² Shareholder Dawn Osment was formerly married to Dale Pape and eventually acquired one-half of his shares.

ADBF's early years of operation. I first became involved with ADBF in October 2002 as its corporate Secretary. I became President in July 2003. Ferrovial LLC acquired an interest in ADBF in 2008. It ultimately acquired 50% of ADBF's stock. Currently, Mr. Single and Mr. Smith own another 35.7% between them. To the best of my knowledge, no current shareholder owns a controlling interest in any other railroad(s) subject to the Board's jurisdiction.

Between 1999 and 2000, ADBF acquired 3 additional small railroad lines from Grand Trunk Western Railway Incorporated; one line each in Charlotte (the Charlotte Spur which would later be named the Charlotte Southern Railroad Company), Detroit (the Dequindre Line which would later be named the Detroit Connecting Railroad Company), and Lapeer (the Lapeer Spur which would later be named the Lapeer Industrial Railroad Company), Michigan. These acquisitions were each separately approved by the Board. ADBF also sought and obtained an exemption from the STB to permit it to purchase its track and right of way from the Michigan Department of Transportation.

It is my understanding that the company's former attorney and general counsel Kenneth Bisdorf, now deceased, recommended that ADBF spinoff each of these acquisitions to newly created corporate subsidiaries, CHS, DCOR, and LIRR. He then incorporated these entities and obtained STB acquisition exemptions. Although there is evidence in the corporate files that Mr. Bisdorf was attempting to create a parent corporation or holding company to own and control each of the railroad line subsidiaries, he never did so for reasons which are unclear. Also Mr. Bisdorf was not sufficiently conversant with the I.C.C. Termination Act and the Board's regulations thereunder to realize that he needed to obtain *both* [emphasis supplied] STB exemptions covering the acquisition of these rail lines and the common control by either ADBF or the new entity of these carriers.

It was not until the Fall of 2009 when I engaged new counsel to secure "belated" Board approval of ADBF's acquisition of the nonabandoned portion of the TBCR that I learned that STB approval for the "common control" of these three ADBF subsidiaries (plus TBCR) had never been obtained. Until that point in time, this officer and the other directors, were of the belief and understanding that any and all necessary approvals from the

STB had been obtained by attorney Kenneth Bisdorf back in 1999-2000 when the railroad lines were first acquired.

Since approximately 2005, ADBF has been planning to restructure its corporate entities such that there would be a parent holding/operating company over ADBF and each of the other railroad carriers, with each being a stand-alone, wholly-owned subsidiary of the parent holding/operating company. A considerable amount of "clean-up" work had to be done to the corporate records for each of the subsidiary corporations, once the directors found that Mr. Bisdorf's recordkeeping in his role as corporate attorney and corporate secretary was deficient.

That aside, I would note that, at no time, has ADBF concealed the fact of its "common control" of its subsidiaries. Further, in reviewing the approvals given by the STB for ADBF's acquisitions of the Charlotte, Detroit and Lapeer lines, it would seem apparent to the untrained individual that the "common control" had been disclosed by ADBF. This fact weighed heavily in the present ADBF management incorrectly concluding that all necessary STB approvals had been obtained and had been in existence since the 1999-2000 line acquisitions.

Given the Board's 2009, decision, the ADBF board decided that this would be the best time, and the most judicious use of the Board's limited resources, to create the parent/holding company and to obtain the "common control" approval all at one time and with one filing, rather than multiple filings over a period of time. Towards that end, a majority of ADBF's shareholders took preliminary corporate action at the February 15, 2010 meeting to authorize these activities. Unfortunately, dissident shareholder Dale R. Pape vociferously voted against the proposal, and then commenced making repetitive threats of lawsuits against ADBF and its directors.

Another complicating factor delaying ADBF's efforts to seek prompt regulatory approval is the compliance with the Michigan Liquor Control Commission license requirements that apply because ADBF operates a dinner train on which alcoholic beverages are served. Since ADBF holds a liquor license, approval of any change in shareholders is required by the Michigan Liquor Control Commission ("MLCC"). The approval process at the MLCC is slow and cumbersome and can take well more than a year.

Perhaps wrongly, ADBF proceeded very cautiously in connection with STB common control approval during the pendency of both liquor control proceedings and threats of litigation by Mr. Pape.

At about this same time, Norfolk Southern Railway Company approached ADBF about its interest in leasing and operating NS' rail line between Jackson and Lansing, Michigan. During the ensuing months, I became heavily involved in negotiations with NS in what became the Jackson & Lansing (JAL) rail line as well as dealing with numerous threats of litigation raised by Mr. Pape and the day-to-day task of running a small company. Again, in late 2010, ADBF was attempting to move forward with the corporate restructuring with a parent holding corporation. This was deemed the one step that needed to be completed in order to proceed with the "common control" filing before the STB. Towards that end, another notice of a shareholder meeting to be held on February 24, 2011 to seek shareholder approval of a corporate restructuring that would create a parent/holding company over all of the railroad subsidiaries.

As ADBF was getting ready to file its notice of exemption for common control in FD No. 35253, Yreka Western Railroad Company, a car storage customer of ADBF, submitted a filing on February 17, 2011, regarding the "common control" filing which had been overlooked and delayed. ADBF responded by making the filing immediately, rather than waiting further to seek the approval for the parent holding corporation to control the subsidiary railroads in the same filing. This step will be taken in a future STB filing once the current matter is resolved.

It is axiomatic that, being the President of ADBF, "the buck stops here." With my resources and attentions being diverted to defending against the numerous threats of lawsuits being raised by Mr. Pape, and with me being heavily involved in the negotiations with NS over the JAL line, I unintentionally allowed the matter of the "common control" filing to take a lower priority and sit. For this, I am embarrassed and sincerely apologize to the Board.

Before addressing some of Mr. Pape's allegations, I think it would be useful for me to tell the Board a little about the current status of the ADBF and its subsidiaries and the reasons for the instant transaction. To begin, my

counsel advises me that transactions involving the acquisition of or continuance in control are governed by 49 U.S.C. 11323-4. He also advises that where a control transaction does not involve class I rail carriers, the Board *must* approve the transaction unless it finds that (1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States; and (2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs. In assessing transactions subject to § 11324(d), he says the Board's primary focus is on whether there would be adverse competitive impacts that are both likely and substantial. If so, it also considers whether the anticompetitive impacts would outweigh the transportation benefits or could be mitigated through conditions.

ADBF and its subsidiary railroads are small businesses in the truest sense. ADBF is submitting with this application a map depicting all of its subsidiaries including the newly formed JAIL. Combined, these railroads operate only 76 miles of track. While I consider the total carloadings and operating revenues to be proprietary information, I note that the annual revenues for all of our companies combined is less than the \$5 million threshold the Board utilizes for certain types of short line transactions. It falls well below the Board's uppermost limit for categorizing a rail carrier as a class III short line. I should note that no shippers have opposed the JAIL lease and operation of NS' Jackson-Lansing line. I doubt that any shippers will appear in opposition here. It almost goes without saying that a small company such as ADBF or any of its subsidiaries lack the ability to lessen competition, create a monopoly, or restrain trade in any region of the country, let alone a small region in southern Michigan.

ADBF originally undertook its year "2000 spinoffs" to insulate ADBF from any liabilities that might result from the activities of its subsidiaries. ADBF now seeks (and should have sought back then) common control approval to permit ADBF to perform the sort of centralized office and management functions that can be performed more efficiently and cheaply by one entity for a series of entities than would be the case if each subsidiary had to undertake that work for itself. These activities include such matters as bookkeeping and accounting, obtaining loans and financing, personnel and administrative functions, centralized purchasing, common use of office

equipment and communications equipment, and so forth.

Because the Board cites Dale Pape's comments in opposition as one basis for requiring ADBF to submit a more complete filing, I feel compelled to respond to his allegations. In that regard, I have read, and am familiar, with the letter filed by Pape with the Board on February 18, 2011. Since corporate disputes are matters outside the STB's jurisdiction and are not relevant to the issue of common control approval of railroads, I will merely cite a few matters that rebut the truthfulness of his assertions.

Dale Pape was formerly a director, officer, and employee of ADBF, but was relieved of these positions for reasons that are not relevant to this application. He remains a minority shareholder and uses his position to try to interfere with the company's operations.

As noted above, ADBF held its annual shareholder meeting on February 24, 2011, not surprisingly; Dale Pape appeared at the meeting and voted against the proposal to create a parent holding corporation. Since Pape represents a small minority position, the proposal was passed by a supermajority of the other ADBF shareholders. Once the new parent entity has been formed, ADBF will make another filing with the STB for approval of the new parent entity to control ADBF and the other subsidiary railroad rail carriers.

Mr. Pape alleges in his letter, at page 1, that "... ADBF is merely fabricating an excuse for its own failure to follow the Board's instruction issued, over a year ago, on October 23, 2009" relative to filing the exemption for common control which resulted in the instant docket matter. Mr. Pape knows full well the past difficulties which ADBF experienced in updating shareholder information on its liquor license issued by the Michigan Liquor Control Commission, as well as the obstructionist behavior which Mr. Pape engaged in when ADBF attempted to update its license, much like that he is engaging in before the STB in this matter.

Mr. Pape alleges in his filing that ADBF has engaged in presenting false and misleading information to the STB at footnote 3 of page 2 of our filing where ADBF states that "Petitioners do not believe that rail labor's position has any merit." Mr. Pape fails to explain how ADBF's *opinion*

statement is false and misleading. Mr. Pape then goes on to complain about a 71-car train which was handled by ADBF in January 2010, and attaches a newspaper article which appeared in the local Adrian newspaper on January 14, 2010 **prior** to the train being run complaining about crossings which allegedly would be blocked for 2 hours or more. Although the article talks about a press release issued by ADBF, ADBF issued no such press release. Further, from the outset, ADBF management had anticipated that crossing blockages would occur over a maximum of 30 minutes. Mr. Pape is being less than candid with the STB. Attached is an article which appeared in the local Adrian newspaper the next day which reported that the 71-car train took about **15 minutes** to clear crossings. See Attachment 1. Even Mr. Pape is quoted in this article. As the newspaper article at Attachment 1 establishes, Mr. Pape has been untruthful with the STB when he represented to the STB that the crossing was blocked for two hours.

In point of fact, while Dale Pape was still in the employ of ADBF, he was responsible for the planning of the 75-car unit grain trains being brought to ADBF. It was Mr. Pape who originally developed the operating plan which ADBF crews carried out on January 14, 2010 when the first 71-car unit grain train arrived. Since then, ADBF has handled several more large unit grain trains, all without any safety incident. On one of these occasions, Mr. Pape was observed stalking ADBF employees, videotaping the train, and shining a bright spotlight in the eyes of the train crew.

Since my being appointed President of ADBF in 2003, and without taking into account our recent acquisition of the JAIL line, ADBF has substantially grown. The number of shippers located along our lines has increased. Our carloads handled have increased by almost 300 percent, and our revenues have correspondingly increased by approximately 260 percent. From 2004 through 2010, ADBF invested over \$1.5 million, or approximately \$50,000 per mile, in track maintenance; and, another \$1 million in signal upgrades. Our ADBF line in Lenawee County has been upgraded from being primarily FRA excepted track to FRA Class 1 track.

Also, since my being appointed President of ADBF, ADBF has won the prestigious American Short Line and Regional Railroad Association ("ASLRRA") Jake Award for Safety each year from 2003 through 2010, inclusive. ADBF will be receiving the ASLRRA 2011 Jake Award for

Safety next month at the ASLRRA's annual convention.

In June 2010, at its 2010 Annual Short Line Meeting, Norfolk Southern Corporation bestowed its Business Initiative Award - Platinum Award upon ADBF for its increase of over 1,000 carloads.

Perhaps the greatest honor which could be bestowed upon ADBF occurred in October 2011, when Norfolk Southern Railway leased what is now known as the JAIL line to ADBF. The recent history of the NS' Lansing Secondary line had been plagued by a dramatic decrease in rail traffic related to the closure of several large automotive plants and the general Michigan economic recession. Despite the recessionary pallor which seems to be hanging over Michigan, ADBF sees substantial opportunity to grow the rail traffic on the JAIL line. ADBF, through its JAIL subsidiary, is busily putting into place an extensive track maintenance program to upgrade existing JAIL trackage from Class 1 to Class 2, which program will be implemented when winter weather has finally departed. JAIL marketing personnel have been meeting with both existing and potential customers and are identifying additional rail traffic opportunities. JAIL is presently in negotiations with one receiving customer which portends an immediate 50 percent increase in annual carloads handled.

With this application and my supporting statement, ADBF believes that it has "set the record straight" as to why ADBF has had so much trouble seeking approval for what should be a very routine matter. ADBF apologizes to the Board for any inconvenience it may have caused and pledges to abide fully with all Board policies and regulations now and in the future.



Mark W. Dobronski

VERIFICATION

State of Michigan)
) ss;
County of Wayne)

Mark W. Dobronski, being duly sworn according to law, hereby deposes and states that he holds the position of President with each of Adrian & Bussfield Rail Road Company, Charlotte Southern Railroad Company, Detroit Connecting Railroad Company, Lapeer Industrial Railroad Company, and Jackson & Lansing Railroad Company is authorized to make this Verification, has read the foregoing Verified Statement of Mark W. Dobronski, and knows the facts asserted therein are true and accurate as stated, to the best of his knowledge, information, and belief.

Mark W. Dobronski

Subscribed to and sworn to before me, a Notary Public, on this 1st
day of April, 2011.

Sandra J. Clarke
Notary Public, State of Michigan
County of Lenawee
Acting in Wayne County
My Commission Expires: 11/23/2016



lenconnect.com

The Daily Telegram - Adrian, MI - Serving Lenawee County Since 1892



Report: 71-car train took about 15 minutes to clear crossings

By Bob Wheaton

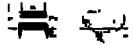
Daily Telegram

Posted Jan 14, 2010 at 12:54 PM

Last update Jan 14, 2010 at 03:47 PM

Recommend

Sign Up to see what your friends recommend



ADRIAN, Mich. — An Adrian & Blissfield Rail Road Company official said today that Wednesday's movement of a 71-car train through the city of Adrian went smoothly.

It took about 15 minutes for the train to move clear of railroad crossings — less than the 30 minutes that had been predicted, said Mark Dobronski, president of the company.

City officials were upset about the length of the crossing delays, with City Administrator Dane Nelson saying it created public safety concerns. The train blocked numerous crossings just north of Beecher Street, including those at Main and Winter streets.

Dobronski said the railroad was prepared to stop the train and let emergency vehicles through if necessary.

He said the train was expected to leave the city sometime after dark tonight, but that the crossing delays shouldn't be nearly as long as the two-hour delays city officials said they were expecting. It's possible that half the train cars will leave before tonight, Dobronski said.

Dale Pape, a former Adrian & Blissfield Rail Road official, also criticized the railroad's decision to move such a large train through the city. Dobronski characterized Pape as a disgruntled former employee.

Copyright 2010 The Daily Telegram. Some rights reserved.

Popular Videos



Ways to save on high gas prices



Raw Video: Inmate Escapes NM Jail



Cat survives arrow through head



97-year-old Teacher Still at It in N.J.



Civil War reenacted in US states



Murder-Suicide: Mother and 3 kids

Loading commenting interface

GET THE STORY FIRST

Click here to sign up for our text alerts



[Privacy Policy](#) | [Terms of Service](#) |

The Daily Telegram | 133 N. Winter St. Adrian, MI 48221

Copyright © 2006-2011 GateHouse Media, Inc. Some Rights Reserved

Original content available for non-commercial use under a Creative Commons License, except where noted.

SEO by eLocalizing | [Advertiser profiles](#) | [RadarFrog Merchant Directory](#)

EXHIBIT B

LAW OFFICES
JOHN D. HEFFNER, PLLC
1750 K STREET, N.W.
SUITE 200
WASHINGTON, D.C. 20006
PH: (202) 296-3333
FAX: (202) 296-3939

April 18, 2011

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
Washington, D.C. 20423-0001

**RE: Finance Docket No. 35498, Adrian & Blissfield
Rail Road Company – Continuance- in-Control--Charlotte
Southern Railroad Company, Detroit Connecting Railroad
Company, and Lapeer Industrial Railroad Company**

Dear Ms. Brown:

I am counsel for Adrian & Blissfield Rail Road Company ("ADBF") in connection with the above-referenced transaction. I am familiar with the Application of ADBF for Surface Transportation Board ("Board") approval of ADBF's continuance in control of Charlotte Southern Railroad Company, Detroit Connecting Railroad Company, and Lapeer Industrial Railroad Company.

I am of the opinion that the transaction described in the Application meets the requirements of law and will be legally authorized and valid if approved by the Board.

Very truly yours,



John D. Heffner

EXHIBIT 1



MICHIGAN'S RAILROAD SYSTEM

RAILROADS OPERATING IN MICHIGAN

OPERATING RAILROADS

- CN — Canadian National Railway
- UP — Union Pacific
- NS — Norfolk Southern
- B — Burlington Northern

OTHER RAILROADS

- AC — Ann Arbor
- AMT — Ann Arbor & Detroit
- AA — Ann Arbor & Detroit
- AP — Ann Arbor & Pontiac
- CB — Chicago & Burlington
- CT — Chicago & Toledo
- CM — Chicago & Milwaukee
- N — Northern
- WY — Western
- J — Jackson
- L — Lansing
- K — Kalamazoo
- M — Marquette
- P — Port Huron
- S — Saginaw
- T — Toledo
- W — Warren
- Y — Ypsilanti

DETROIT AREA INSET

Legend:

- AC — Ann Arbor
- AMT — Ann Arbor & Detroit
- AA — Ann Arbor & Detroit
- AP — Ann Arbor & Pontiac
- CB — Chicago & Burlington
- CT — Chicago & Toledo
- CM — Chicago & Milwaukee
- N — Northern
- WY — Western
- J — Jackson
- L — Lansing
- K — Kalamazoo
- M — Marquette
- P — Port Huron
- S — Saginaw
- T — Toledo
- W — Warren
- Y — Ypsilanti

Scale: 0 10 20 30 40 50 Miles

North Arrow

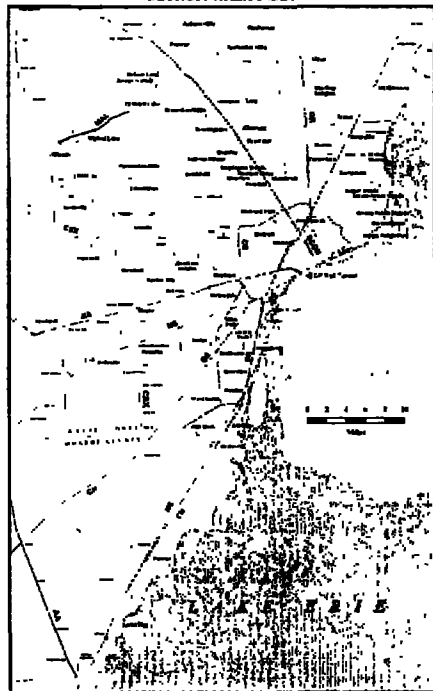
Source: Michigan Department of Transportation, January 2011

(U) APR 9 12 41 PM '67

- Note: A. This indicator is measured as a percentage of revenue greater than \$25 million.

OTHER MAIL BOXES

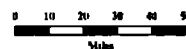
- * "Archives Project is a 100% volunteer effort and will operate on the basis of donations."

DETROIT AREA INSET

Received by
 Mirfajir I. and "in Honor of the 100th Anniversary of the
 Department of Technical, Management, and Policy

January 2011


www.elsevier.com/locate/jep
0167-6369/\$ - see front matter © 2005 Elsevier B.V. All rights reserved.



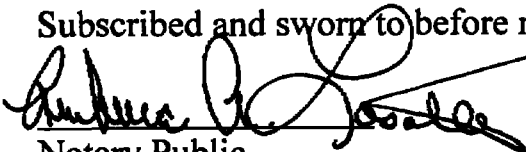
VERIFICATION

State of Michigan)
)ss
County of Wayne)

Mark W. Dobronski, being duly sworn, states that he is President of the Adrian & Blissfield Rail Road Company; that he is duly authorized to sign, verify, and file the foregoing Application and the exhibits thereto on behalf of Adrian & Blissfield Rail Road Company; and that such matters as are set forth therein are true and correct to the best of his knowledge, information and belief.


Mark W. Dobronski

Subscribed and sworn to before me this 14th day of April 2011.


Notary Public

My Commission expires:

